

THE GREAT BETRAYAL.

A SPEECH ON THE RECIPROCITY
AGREEMENT BETWEEN CANADA &
THE UNITED STATES, DELIVERED
AT THE CONSTITUTIONAL CLUB,
LONDON, ON MARCH 23, 1911. ❧ ❧

By
DONALD MACMASTER, K.C., M.P.

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Queen's University at Kingston

THE GREAT BETRAYAL.

Apr. 1, 1961
A LARGELY attended meeting of Members of the Constitutional Club was held in the Morning Room on the evening of the 23rd March, 1911. The subject for discussion was the Reciprocity Agreement between Canada and the United States.

Stanhope
~~The~~ EARL OF PEMBROKE presided, and, among others, there were present Mr. Leslie Scott, K.C., M.P., Mr. Edward Goulding, M.P., Mr. Ion Hamilton Benn, M.P., Mr. O. Locker-Lampson, M.P., Mr. F. M. Remnant, Mr. L. E. Dundas, Mr. J. W. T. Smith, Mr. W. A. S. Hewins, Mr. G. H. Williamson, Mr. Percival Etheridge, Mr. H. H. Temple, Mr. G. O. Bellewes, Mr. P. F. Richmond, Sir W. H. Porter, Bart., Mr. R. A. Robinson, Capt. Ewart Grogan, Mr. A. Moresby White, Mr. Percy Hurd, Sir William Van Horne, K.C.M.G., Sir George Doughty, M.P., Mr. F. W. Heubach and Mr. L. J. Rosenheim.

Joseph Patrick
Mr. DONALD MACMASTER, K.C., M.P., was invited to open the discussion, and spoke as follows:—

Continued
My Lord and Gentlemen: In the observations which I am about to make on this important subject, my purpose is to abstain from partizanship as far as possible, and especially to avoid anything that might be regarded as offensive to either the Canadian Government or the United States, a friendly nation that entered into this bargain with a view to the betterment of its own people and its own interests, which was its undoubted right.

In order to thoroughly understand the Agreement arrived at and the circumstances that gave birth to it, it is necessary to pass under review—with the aid of the maps, which through the courtesy of the railway companies, are suspended from the walls—certain antecedent circumstances that have relevancy to the subject.

The Development of Canada.

The large map, 18 feet by 24 feet, kindly lent by the Grand Trunk Pacific Railway Company, gives a general idea of the extent of Canada as it exists to-day, but before the Confederation of the Provinces in 1868, what was then known as Canada was simply the two Provinces of Upper and Lower Canada, now the Provinces of Ontario and Quebec. With these two provinces were united at Confederation the Maritime Provinces of Nova Scotia and New Brunswick, and under the terms of union it was agreed that with a view to cementing all the provinces together, what is known as the Inter-Colonial Railway should be constructed at the expense of the new Dominion. At this stage the Dominion did not extend much beyond the Great Lakes, about half-way across the Continent. Beyond these were the vast prairies, the Great Lone Land, and further still, the stony barriers of the Selkirks and Rocky Mountain Ranges and the Pacific Slope.

It soon became evident to the statesmen who brought about Confederation, that it would be necessary to add to the Dominion, British Columbia on the Pacific side and the other vast and practically derelict territory lying to the west of the Great Lakes. Nineteen-twentieths of the Prairie and the Great Lone Land were acquired from the Hudson's Bay Company for a consideration, and subsequently the province of British Columbia came into the Dominion, but upon special terms, one of which was that a railroad should be built through British territory from the Pacific Ocean through British Columbia and on across the Prairies to Old Canada, so as to complete the connection between Eastern and Western Canada. It will thus be seen that railway construction east and west was a fundamental condition of the union of the provinces.

It may be mentioned in passing that Manitoba (which was carved out of a portion of the Great Lone Land) as well as Prince Edward Island lying on the Atlantic Coast, soon joined the new Confederation, and that subsequently the Provinces of Saskatchewan and Alberta were also cut out of the Great Lone Land or North-West Territories.

The Reciprocity Treaty of 1854.

In retrospect, one must keep in view that a Reciprocity Treaty existed between Canada and the United States from 1854 to 1866, and was terminated by notice from the American Government. From a material point of view there can be no doubt that that treaty was advantageous to Canada under the special circumstances then existing. Whether a similar treaty would be advantageous now or not, is a very different question; but in the period of twelve years referred to the Canadians had a great advantage in supplying

the American market with natural products—owing to the fact that during the latter part of that period especially, the American manhood was largely withdrawn from industrial and agricultural pursuits to engage in the Civil War that then unhappily raged between the Northern and Southern States of the American Republic.

After 1866 Canadian statesmen repeatedly endeavoured to get a renewal of the Reciprocity Treaty, but without effect. The result was that the Canadian people were cut off from the American markets for the sale of their natural products, and owing to the low tariff that prevailed in Canada, the Americans flooded the country with their manufactures to an extent that drove the Canadian manufacturers out of business, with the consequent almost general cessation of employment for the working classes, who were compelled in large numbers to emigrate to the United States.

Inauguration of the National Policy.

A period of deep gloom and helplessness for the people of Canada followed the abolition of the Treaty. So-called "Free Trade"—or rather a Revenue Tariff—was then in force, but was quite ineffective to cope with the poverty and desolation that prevailed. It was under these circumstances that Sir John Macdonald and his associates adopted what was known as the National Policy, which was a combination of moderate Protection (or Tariff Reform) with a policy of general progression all along the line from East to West, so as to develop the natural resources of the country, to encourage the investment of capital, the employment of labour, the promotion of inter-provincial trade, and external trade in the only markets that were open and unbarred, namely, those Overseas. The Tariff Reform policy was adopted in 1879, and the contract for the construction of the Canadian Pacific Railway was signed in 1881. Under the National Policy, Sir John Macdonald left the door open to the United States to come into an agreement for the exchange of the natural products of both countries on reciprocal terms. These terms were embodied in the very statute that established the Protective Tariff. These terms the American Government refused from time to time. They not only refused, but raised their tariff walls higher. Hence the urgent necessity for the development of Canada by means of rail and water communication East and West, with a view to securing markets other than those of the United States, which were denied them.

This National Policy was vigorously pursued until 1896, when Sir John Macdonald's Government went out of power. The offer of Reciprocity was still open on the Statute Book of Canada. Then Sir Wilfrid Laurier and his associates, on assuming power, endeavoured to procure a Reciprocity Treaty, but the denial was

repeated, and under these circumstances, Canada in 1897 withdrew from the Statute Book the offer of Reciprocity, and enacted a Preference in favour of the United Kingdom.

Reciprocity a Dead Issue.

In 1897 there was a complete change of policy so far as Reciprocity is concerned. The old policy was formally abandoned. The hope of Reciprocity was absolutely given up, and the Government proceeded to pursue the lines of development laid down by Sir John Macdonald, with the addition of the Preference to the Mother Country to stimulate it. In Sir Wilfrid Laurier's words: "There would be no more pilgrimages to Washington." It is a mis-statement of fact to say that Reciprocity was after 1897 a part of the policy of both parties in Canada. Fourteen years ago the obsequies of that policy were celebrated, with the consent of all parties in Canada. Reciprocity was a dead issue, and was never mentioned in the three general elections that took place in that country in 1900, 1904 and 1908.

At the Imperial Conference of 1897, SIR WILFRID LAURIER defined clearly the policy of the country with regard to trade:—

"If we were to follow the laws of nature and geography between Canada and the United States, the whole trade would flow from South to North and from North to South. We have done everything possible, by building canals and subsidising railways, to bring the trade from West to East and East to West, so as to bring trade into British channels."

And, again, he said—

"There is no boundary line except a purely conventional one over the whole Territory of North America. Their habits are the same as ours, and therefore we are induced to trade, and cannot help it, by the force of nature. But so far as legislation can influence trade, we have done everything possible to push our trade towards the British people and against the American people."

Railway Development West to East.

Not only that, but in 1903, the Canadian Parliament, with a view to further binding the East to the West, to promoting trade entirely over Canadian territory and to preserving the terminals of the railways in British territory, authorized the construction of a second line of railway from the Atlantic to the Pacific at some distance north of the Canadian Pacific Railway. This was the second great line of communication. The large map of the Grand Trunk Pacific Railway shows the line of that road, and the portion of it from Winnipeg eastward to Moncton—a distance of 1,803 miles, is now

being constructed at the cost of the people of Canada. What is to become of this investment if the main trade is turned North and South—it is not difficult to forecast. In addition to this there is a third line of rail communication still in building and largely completed, namely, the Canadian Northern Railway (Mackenzie, Mann System), constructed with a view to accommodating the trade from East to West, and from ocean to ocean. There are thus at the present time one line of railway, the Canadian Pacific, completed from ocean to ocean, with several branch lines, and two others about two-thirds completed, the whole upon these well settled lines of development, at an enormous expenditure of money—public and private. The same may be said of the magnificent system of canals—all on East and West lines—the Soo Canal connecting Lake Superior and Lake Huron, the Welland Canal between Lake Erie and Lake Ontario to overcome the Niagara Falls, the Long Sault, the Beauharnois, the Soulanges and the Lachine Canals to overcome the rapids in the St. Lawrence River. Millions and hundreds of millions have been invested in these National enterprises.

A Record of Prosperity.

Now, the next natural inquiry is: What is the condition of Canada? There is no doubt that the country is enjoying a high degree of prosperity. There is no discontent among the people. In a land where there were only 2,240 miles of completed railway at the time of Confederation in 1867, there are now 25,000 miles of constructed railways, and 4,500 miles of railway are under construction during the present year. Labour is in demand, and is well remunerated. New towns and villages are springing up in every direction. Banks and other Corporations have increased their dividends, the common shares of the Canadian Pacific Railway, which a few years ago were selling at 40 are now at 220 in the public market. The population of the country is about 8,000,000, and is rapidly increasing. Immigrants are entering the country by thousands, and by tens of thousands, from this country, from the United States, and from the Continent of Europe. There is room for them all, and for more to come. In the great fertile plain of Central Canada, 1,200 miles long and 500 broad (between Kenora and the mountains), a population of 100,000,000 could be accommodated with comfort. Alberta is larger than Germany. So is Saskatchewan.

Looking to the immediate future there can scarcely be a doubt that in twenty-five years there will be a population of 25,000,000 people in the Dominion of Canada.

Its trade, internal and external, is large and is steadily increasing. There is the great trade of the rivers and lakes, as well as the sea-borne trade. In the last five years the tonnage of the Allan Line of ocean steamers has been greatly increased. In order to

accommodate the vast traffic of the Canadian Pacific Railway, in the last ten years a fleet of eighty ships has been created by that company on the lakes, rivers, and on the two oceans. The Canadian Northern Railway has established in the last two years a line of its own—the Royal Line. In addition to this, the White Star Line has put two of its best and largest passenger steamers, and some of its freight-carriers, on the Canadian route between Quebec and Montreal and this country; and we have it now announced that the Cunard Steamship Company are about to place two first-class steamers in the same passenger service to and from Canada. And this, too, takes no account of the enormous trade that is done by other lines and by the tramp steamers.

I call your attention to this primarily, to demonstrate the importance of the Canadian trade and the Canadian market, and, secondly, to accentuate the fact that this enormous trade has grown up in pursuance of the policy of development of the whole country—on the lines from East to West—under a true National and Imperial policy. And you must remember that the foundation upon which this prosperity is based, and without which it could never have been achieved, is the National Policy introduced by Sir John Macdonald—much maligned by his opponents when in opposition, but wisely adopted by them when they came into power. Mr. Taft was justified in saying: “The Dominion has greatly prospered.” Now, in this state of general prosperity, on what conceivable ground can the proposed far-reaching Agreement be justified?

A Leap in the Dark.

It is impossible to regard the Agreement otherwise than one that will have the effect, if sanctioned, of deflecting a large portion of traffic North and South, instead of East and West; of carrying the produce of Canada across the International Boundary into the United States either for consumption there or for carriage over American rival lines to American rival ports for export abroad. This policy is at variance with the established policy of the founder of the National Policy and of his successors. It is a violent departure from the recognised method of development under which Canada has prospered to overflowing, a sudden desertion of the ideals of the past. It is an unnecessary and unwise straying from the lights that never failed. It is a leap in the dark.

In order to bring the Agreement about, concessions had to be made on both sides, and no doubt some of these concessions will be of benefit to some enterprises in the United States and to some in Canada. That they will be of benefit to Canada as a whole, I gravely doubt; I have most serious misgivings. That they will be an injury to the country from the National point of view—from the patriotic point of view—from the Imperial point of view—I have no doubt whatever. The concessions made by the United States, namely, in reducing or taking off their tariff in respect of

certain of the natural products of Canada, as for example, fish, wheat and foodstuffs generally, are concessions that they would have been bound to make in any case, bound from the necessities of their position by reason of the recklessness with which they exhausted their own natural resources, and the necessity for a larger food supply to support their vast and increasing population, now numbering ninety millions. The "New York Journal of Commerce"—a non-party newspaper of great influence—is warrant for this statement:—

"The concessions we made are in themselves for our benefit, and most if not all of them it would be wise to make if we got nothing in return. The concessions of Canada are also for our benefit as well as that of the people of Canada."

The grain products of the Canadian North-West will pay tribute to the wheat pits of Chicago, and not a hoof will tread the prairie that will not be pledged to the cattle yards and slaughter houses of the same city. The packing trade of Canada must be gravely injured. The Manitoba Wheat No. 1 Hard will find an exit into the United States where it will be either consumed on the spot or used as a deodoriser of the inferior American grades, and possibly in the compound, palmed off in the English market as the flour of Manitoba. Great prosperity will accrue to the millers of Minneapolis and Saint Paul and to the boat owners of Duluth and Superior Cities. The transportation companies, railway and shipping, will suffer by the deflection of trade southward. Winnipeg, the Queen of the West, must resign the heirship in certain prospect of being the second largest city in Canada—if indeed not the largest. Fort William and Port Arthur will be side-tracked by Duluth and Superior, and—saddest of all, perhaps—the hope of the Western Slope, destined to be the great city of the Pacific—proud Vancouver will have to bend the knee to Seattle.

The Importance of the Railways.

In order to appreciate the position we must again look at the map. West of Winnipeg and Portage La Prairie you will notice again the vast and fertile plain before referred to, capable of producing ten times the quantity of wheat that is necessary to support the people of the United Kingdom, after ample provision has been made for Canadian consumption itself. But you must remember that between that fertile plain and the productive fields of Ontario and Quebec there is a gap from 600 to 800 miles long north of Lakes Superior and Huron. That region, with the exception of small villages on the water's edge or along the lines of the railway, is practically unsettled, unsurveyed, and to all intents and purposes up to the present time, a barren waste. It may, and no doubt does, contain mineral wealth. Owing to the abundance of rich land east and west of it, it has remained undeveloped.

Here is the great barrier to the union of Eastern and Western Canada, and the only way in which that barrier can be overcome is by the maintenance of the lines of railway running East and West throughout the entire country. ²⁸

And here, my Lord, let me note with pleasure that I see with us and at your side, Sir William Van Horne, the pioneer of trans-continental railway construction in Canada—whose genius and courage did not remove, but circumvented and pierced the sternest mountain barriers, for

“He rode the iron stallions down to drink
Through the canyons to the waters of the West.”

No man knows the country better than he, and we have just seen his pronouncement on the dangers of trade being directed in channels that leave no chance of escape if they are disappointing, that in this Agreement “Canada is making a bed to lie and die in.” We have, too, the warning of Mr. Clifford Sifton, formerly Minister of the Interior in Sir Wilfrid Laurier’s Government, that this Agreement is fraught with danger to Canada nationally, and that the Western farmer will never reap the advanced price that he expects to get for his wheat in the American market. No man knows the West so well as he. The increased supply of grain in the United States by Canadian importation must diminish the price in the market-place. The Canadian farmer cannot sell at a high price and the American consumer, at the same time, buy the same article at a low price. There must be grave disappointments.

The Attack from the South.

Just south of the vast fertile plain and the international boundary lie Hill’s Railways, the Great Northern and the Northern Pacific running in the main parallel with the Canadian Trans-continental Roads up to the points where his roads connect with other American roads that carry the traffic to the East and South. If you will examine the map of Mr. Hill’s Great Northern Road you will find that at no less than 10 or 11 points he has built spurs or side lines just up to the Canadian frontier, and he has carried at least two of these actually into Canadian territory. All these roads with their noses up against the International boundary have been built in anticipation of Reciprocity, of which Mr. Hill has been an ardent advocate. These are to be the bleeders and suckers of the Canadian North-West. It is inevitable that they must drain off the traffic to the South over American lines, and to the extent that they do so, they must injure the Canadian transportation companies. Besides, the traffic South must inevitably produce traffic Northward, and thus the inhabitant of the North-West is led into a market that competes at once with the industrial markets of the Eastern section of Canada.

This Agreement will deflect the trade routes from East to West,

and West to East. It will drive a wedge into the middle West. It will cut in twain the established lines of trade and traffic, and create a constant peril to the integrity of the National Policy. It threatens the very dissection of the Dominion at its most vital part.

I am looking at the question in its large sense as it concerns Canada as a Nation; as it concerns the Mother Country as the head of a Great Empire. I am not looking at it from the point of view of small particulars, in respect of the damage that may be done to this country's trade with Canada. That is important, but the main question is above particulars.

What it means to the Mother Country.

One thing is certain. The wheat that goes from Canada to feed the 90,000,000—and the very much greater population that is bound to be—in the United States is not coming here, and just to that extent our supply will be diminished. A decreased supply here means dearth. This bargain forebodes dearer bread for the toilers of this country. Banging and barring the door upon our own kinsmen was a wretchedly short-sighted and dangerous game to play. The Americans are giving to our greatest Dominion the Preference that we refused them.

But if one looked at the matter from the point of view of particulars, is it not obvious that to the extent that the United States gains a trade advantage in Canada over the people of this country, to that extent the people of this country are injured. It cannot be denied that the Preference is in many cases entirely swept away, in others reduced, and that further reductions are in store. As a result of the Agreement, too, our competitors are increased in the Canadian market, not merely by the powerful competition of the United States, but under the Favoured Nation Clause by that of twelve other countries. Trade and competition is so keen that very little is enough to secure the turn of the market. I do not blame the Americans for endeavouring to obtain the best of the bargain. Nor do I blame them, even if they have the annexation of Canada in view. It is their business to look after their own interests, and it is deep down in every American's heart that some day the Dominion of Canada, with its superb resources and strategical position, must become an annexe of the United States. That has been their ambition from the earliest days, and in recent time we have the pronouncements of Senator Sherman and others upon the same lines.

What Canada thinks of it.

And what does this bargain mean from the National point of view? How is it understood? The Canadian Government is committed to it, because it has assented to it through two of its

Ministers—estimable men it is true—but surely without mandate to effect an Agreement so compromising, so far reaching, and without the Canadian people being consulted in relation to it. Now that the Agreement has been publicly discussed, no matter how party politicians may feel bound to vote through party fealty, the evidences are clear and emphatic that the voice of Canada itself is against it. The Province of Quebec has quite properly refused to be a party to the surrender of the great pulp interest of that province. Sir James Whitney, the Premier of Ontario, has condemned the Agreement root and branch in the most uncompromising terms, and the Legislature by a vote of 74 to 14 pronounced against it. The Legislature of Manitoba—the greatest wheat-growing province of the Dominion—has also condemned it. So has the Legislature of British Columbia. There the resolution was carried practically unanimously—there being only one voice against it. The Boards of Trade from one end of the Dominion to the other have condemned the Agreement; and the great meeting in the city of Toronto, which was presided over by a Liberal supporter of the Canadian Government, and addressed by at least two of its leading adherents, men of distinction and authority, also condemned the arrangement—not merely on economic grounds, but upon National grounds. So much for Canada.

American Aims.

But what of American opinion?

We know what the opinion of American Statesmen on the subject is. Here is the opinion of Mr. CHAMP CLARK, the leader of the Democratic Party of the United States, and now the dominant party in Federal politics, an opinion solemnly pronounced in the Halls of Congress:—

“I look forward to the time when the American flag will fly over every square foot of British North America up to the North Pole. The people of Canada are of our blood and our language. If the Treaty of 1854 never had been abrogated, our countries would be much further advanced than now towards this end.”

Mr. Martin, of South Dakota, interrupted to ask: “Will the gentleman favour the abrogation of our tariff law entirely so far as Canada is concerned, and make free trade on all products?”

Mr. Clark: “By taking Canada in to become a part of the United States—Yes.”

Then Mr. Norris, of Nebraska, asked: “As I understand it, the gentleman favours the Bill for at least one reason, that it will have a tendency in the end to bring Canada into the union?”

Mr. Clark replied: “Yes, I have no doubt about that.”

Mr. Norris: “Will that have a tendency to preserve peace with Great Britain?”

Mr. Clark: Why, certainly it will. I do not have any doubt whatever that the day is not far distant when Great Britain will joyfully see all of her North American Possessions become a part of this Republic. That is the way things are tending now."

Later on Mr. Clark added: "It is my impression that we get the better of the proceeding in this Treaty." And in conclusion he said: "And by the time you get through with it, we will export more into Canada than Canada exports into our country. I am in favour of this Bill because it enlarges our markets, because it brings us into closer relations, and, because in the days to come, it increases the prospects of the consolidation of these two great countries."

When Mr. Clark finished his speech, concluding with his expression that Reciprocity would hasten annexation, the applause of the Democrats indicated clearly why they voted for the Treaty. It was plain to the crowded galleries that they were voting for annexation even more than they were voting for Reciprocity.

I need not repeat to you here the opinions of Senator Sherman or of Senator Beveridge and other Statesmen in the United States. Statesmen and Press with one accord pronounced this bargain as the sure forerunner of the annexation of Canada by the American Republic. It was pretended that Mr. Champ Clark's speech was a joke, but the acclaim with which his statement was received shows that the Legislators were in downright earnest. If it be a joke, it is surely the most grim and solemn joke that ever was perpetrated. Mr. Taft, the American President, was not joking when he sent the significant Message to Congress: "Canada is at the parting of the ways."

The Great Betrayal.

And now we know from the despatches the scandalous circumstances under which this Agreement was put through in the space of ten or twelve days. We now know, not merely from Mr. Bryce's scamped letter of the 10th January last, but by the statement made by Mr. Taft, after the Agreement was signed and sealed, that Mr. Taft had actually instructed his Commissioners to offer absolute Free Trade to the Canadian Commissioners; so that if this were accepted, Canada would have been, in so far as trade with the United States is concerned, in exactly the same position as the State of New York or the State of Kentucky.

What would have been the position of this country if Canada had accepted that offer? It would have meant the destruction at once of the preference that Canada has extended and that we enjoy. It would have meant, unquestionably, that the people of this country who export goods to Canada would for the present have to pay full tariff rates on entering the market there in the meantime, and ulti-

mately and inevitably, the tariff of Canada as against the world, would have to be assimilated to that of the United States, in which case the whole trade of the Western Hemisphere in its two most progressive countries would have been practically shut off from this country by tariff walls. It would have meant the certain absorption of Canada by the United States.

Where was the British Government ?

And yet under these circumstances, though Free Trade in manufactures as well as in natural products was offered by the United States to Canada, we find no protest from the Ministry of this country. We discover no alarm sounded by the Ambassador at Washington; we find no concern expressed for the preservation of the Preference; but the Government of this country—absolutely committed to a policy of go-as-you-please, blinded by their wretched creed of banging and barring the door against their own kinsmen—stand by in stolid indifference to events that spell the disruption of our Empire.

Why were not instructions sent from this country to Mr. Bryce, our Ambassador, to shepherd the interests of the Nation that he represented? And even if he had not received instructions, why did he not forewarn the Government of this country of the seriousness of the situation, as originally proposed, and of that too which subsequently supervened? The reason is obvious. So far as the Ambassador is concerned, he was sympathetic with the proposal made by the American Government to the Canadian Commissioners. In his book on the American Commonwealth, and in the latest edition of it, he says:—

“The material growth of Canada would probably be quickened by union (with the United States) and the plan of a Commercial League or Customs Unions (with the United States) which has lately been discussed might, if carried out, **lead to a political union**; indeed, it is hard to see how otherwise Canada could have her fair share in adjusting such tariff changes as might from time to time become necessary.”

And this is the man who tamely approves when propositions leading, in his own opinion, to the loss of Canada to the Empire are proposed.

My Lord and Gentlemen, I decline to be mealy-mouthed about this matter. It is monstrous that the common interests should be so injured. I say that the Government of this country are blameable in the last degree for their neglect to safeguard the interests of the Nation and the interests of the Empire, and that the Ambassador has proved himself lacking in a proper sense of the obligations he assumed as the representative of this country at a Foreign Court, even though that be the Court of a friendly Nation.

The Nemesis of Neglect.

If the great policy of Preference proposed by the Right Hon. Joseph Chamberlain had been put in operation some years ago, as it should have been, we never would have been scandalised by this shameful bartering of economic, National and Imperial interests.

As Sir Wilfrid Laurier, at the Imperial Conference of 1907, said in regard to the Preference:—

“We have told the British people that there is a way of doing more. There is the preference of mutual trade, and this is what we had in view when we adopted in 1902 the Resolution of that year.”

But it is not yet too late, and it behoves each of us in his station to do what he can to undo the mischief that has been occasioned by neglect, indifference, and infidelity. No matter what this Canadian Parliament may decide, the Canadian people have still to be appealed to, and I do not doubt that they will give the answer that should be given to the suggestion that “Canada is at the parting of the ways.” The parting must yet be deferred, and I trust that this improvident transaction will only spur on those who are loyal and devoted to this country and to our own Overseas Dominions, to be more watchful of the danger of precipitate bargaining, and to prize more highly the heritage and tradition that is our birthright. To perpetuate our laws and our civilisation, as well as to protect our liberties and preserve our heritage, all the units of the British Empire must stand together.

A Menace to the Empire.

We have heard discussions in our Parliament with regard to our strength in Dreadnoughts, and it has been pointed out to us that having regard to Germany's plan of construction, and to that of its allies Austria and Italy, in three years' time the Triple Alliance will have at least thirty to our thirty of these great sea monsters. Of that number, the Italian and Austrian Dreadnoughts, eight in all, will probably patrol the Mediterranean, while the German fleet will manœuvre in the North Sea, or at the mouth of the Kiel Canal. What would happen, sir, if we had to withdraw eight of our Dreadnoughts from home waters to keep watch on the Mediterranean? In the event of an attack on India, or any of our Eastern possessions, what would happen if the Suez Canal route to the East were blocked? Would there be time to go round by the Cape in the old way? In a contingency such as I have indicated, is it not obvious to everyone interested in this country, and in the Empire as a whole—that the steel-shod highways East and West over the arch that binds the heart of the Empire to its Oriental possessions, should be developed to the last degree, and kept in that state

of effective operation which comes from the very necessities for use in successful commerce. Canada is the arch that must be buttressed for Imperial necessities. How essential for us if the call for aid should come from the Far East that we should have a second route by several lines of railway across the Dominion of Canada—that is bound to grow in strength and numbers, through a country owning our own flag. No one can undervalue such a connection from the Imperial aspect. And as to Canada, the advantage would be hers as well. She is not “at the parting of the ways,” but just at the commencement of a destiny that surely awaits her—of becoming the most prosperous and powerful unit in the cordon of Nations that form the British Empire.

I feel, my lord and gentlemen, that I have detained you too long in this discussion. I have only touched the surface of the subject—I have only spoken of it in generalities—but I believe from the responses that you have made, that you realise the seriousness of the position, and that you will not willingly and negligently part with any portion of the splendid inheritance that is yours now and that you hold in trust for your children—an inheritance won for you by the brains, by the bravery, and by the blood of your fathers.

APPENDIX.

DANGER SIGNALS AND WARNINGS.

AMERICAN VIEWS.

What Mr. SHERMAN said in the United States Senate in 1888:—

“Since the conquest of Canada by Great Britain in 1763, she has been a continuous warning that we cannot be at peace with each other except by political as well as commercial union. Canada should have followed the fortunes of the Colonies in the American Revolution. The way to union with Canada is not by hostile legislation, not by acts of retaliation, but by friendly overtures. This union is one of events that must inevitably come in the future. The true policy of this Government then is to tender freedom in trade and intercourse, and to make this tender in such a friendly way that it shall be an overture to the people of Canada to become a part of this nation.”

What Mr. BEVERIDGE, United States Senator, said:—

“There must be Reciprocity with Canada. Our tariff with the rest of the world does not apply to our Northern neighbour. That policy already has driven American manufacturers across the Canadian borders, built vast plants with American capital on Canadian soil, employing Canadian workmen to supply trade. That capital should be kept at home to employ American working men to supply Canadian demand. We should admit Canadian wood pulp and Canadian paper free in return for Canada's admitting our agricultural implements, our engines, pumps and other machinery free. We should freely admit Canadian lumber to American planing mills in return for Canada freely admitting other American manufacturing products to Canadian markets.”

What Mr. HEARST, a recent Candidate for the Presidency of the United States, said:—

“Let us have commercial union first, and political union afterwards.”

What Mr. H. M. WHITNEY, of Boston, says (in “Atlantic Monthly,” October, 1910):—

“If we were to admit Canadian grain free of tariff charges,

much of it would stay with us for home consumption; a portion would go through our ports to foreign lands."

"The elevators for storing and handling Canadian grain should be located on this side of the line, and the steamers of the Canadian Pacific and the Grand Trunk Pacific should, in the winter time at least, find their home port in New York, or Boston, or Portland. And if under a reciprocity arrangement or otherwise the farm products of Canada were admitted free of duty, the Canadian Government would be friendly, instead of hostile, to the use of American ports for Canadian business."

In another part of the article he says:—

"What might ultimately be the political effect of the establishment of friendly trade and social relations between the United States and Canada, is a problem that had best be left to work itself out in the years to come. It is quite possible, indeed, I think it quite likely, considering the number of questions of domestic and foreign policy which might arise under such a condition, that the two nations would in the end become politically one."

What PRESIDENT TAFT said (in part) in his message to the American Congress:—

"The Dominion has greatly prospered. It has an active, aggressive, and intelligent people. They are coming to the parting of the ways."

What PRESIDENT TAFT said at Atlanta, after the Agreement was signed:—

"When we entered upon the negotiations I authorised the Secretary of State and his commissioners to offer Free Trade in everything, but this Canada could not grant us, because she has a protective system, and was afraid of the competition of our better organised industries. . . . Canada is at the parting of the ways. If we now reject this opportunity to bring about closer business and trade relations, and insist upon the continuance of an artificial wall between the two countries—which differ no more in conditions of labour and production than do Kentucky and Tennessee or Georgia and Alabama—we shall throw away an opportunity for mutual benefit not likely to recur."

What the "Boston Herald" said of the Newfoundland Treaty:—

"The underlying motive of Blaine's Newfoundland Treaty was to draw the British Colonies into the net of annexation."

And the "Springfield Republican," a very representative American paper, says:—

"There need not be any hesitation in saying that the New-

foundland Treaty should be regarded as a stepping-stone to a similar one with all Canada, and that **the great end in view** which should appeal to any American statesman with imagination and foresight is **the ultimate peaceful combination of Canada's destiny with our own.'**

What the "New York Times" thinks about the Agreement:—

"The Agreement opens the channels of commerce northward and of trade eastward across the ocean to southward, and **practically puts an end to the policy of the British Tories, which aims at blocking those channels and directing the currents of trade eastward across the ocean to the special gain of England.** Incidentally, our acceptance of the Agreement would also destroy the hope of the British Tories to establish a tariff wall about the markets of England, with the avowed purpose of reducing American trade. These are results of great and permanent value, which in themselves are enough to decide the votes of reasonable members of Congress."

Finally, "Every rational consideration of our immediate and future advantage, of the economic and political security of ourselves, and of the far greater nation whose welfare we hold in trust, demands that the agreement with Canada shall be accepted, carried out, and ultimately extended."

Mr. JAMES J. HILL, the great American railway magnate, says the *Daily Express* (January 30th), urges the immediate adoption of the Agreement so that the United States and Canada can establish a permanent Reciprocity Agreement before the federation of the British Empire comes about:—

"The union of all parts of the British Empire in a commercial federation is only a question of time," says Mr. Hill. "When that shall have been concluded under a system of preferential advantages ensuring the English market to the Colonial producer of raw materials and the Colonial market to the English manufacturer, it will strike a double blow at the United States. Our best customer—Great Britain—and our third best—Canada—will then trade less and less with us and more and more with each other. It will be permanently impossible for us to repair the error if the present Reciprocity Agreement is rejected."

What Mr. JAMES J. HILL, who controls the American Railways—that compete with the Canadian Trans-continental lines—**further says of the proposal:—**

"I want to say to you that **we cannot afford to let this opportunity pass.** It is said that 'opportunity calls once at every man's door,' but that if you leave the door open it will come again. Let me say to you that **the conditions in the British Empire are such that if we let it pass it will never come again.** If we neglect the opportunity that is now manifesting itself, if

that is refused, it is almost a certainty that Imperial Federation will follow, and if it does, where is your independence, where is your market ? ”

The “Minneapolis (U.S.A.) Journal,” quoted in the “Financial News” of March 2nd, 1911, gives the true reason why the United States is eager to form a Reciprocity Treaty with Canada. It says:—

“We stand at the parting of the ways. One path leads to practical, if not political, union with Canada, and the development of the entire North American Continent as the heritage and the possession of a great and free people. The other path leads to the hardening into two distinct political entities, two hostile, or at least unsympathetic, peoples in this Continent. It leads to a closer relation between Canada and Great Britain. It means the carrying out of Joseph Chamberlain’s great dream of a British Imperial Federation, bound together no less by trade than by sentiment, with preferential tariffs on either side, with Canada taking the place of the United States as chief purveyor of food products and manufactured articles to Great Britain. To-day England is our best customer and Canada our third best. But our foreign trade wanes, and that of Canada grows. If we push Canada into England’s arms the trade arrangements between the two will tend more and more to shut us out. How long will our trade with these two customers last if Reciprocity fails? Our Canadian trade must drop off as the west and east channels of her commerce are scoured by use, and Canada will more and more supply British needs in our stead.”

“THE ENTANGLING WEB OF RECIPROCAL TRADE.”

A correspondent of the “Boston (U.S.A.) Herald” (March 7th), reminds the Hon. Samuel W. McCall of a vigorous speech which he delivered in 1904, and in which he endorsed the Bennett idea of annexation. One short paragraph will show what the statesman, who gave his name to the latest Reciprocity Bill, thought of annexation a few years ago:—

“Add to the tremendous influences that are pulling the two countries together, the entangling web that is woven by Reciprocal trade and the inevitable day will be more quickly reached when the two countries shall be politically one.”

If “the entangling web of reciprocal trade,” in the mild form in which it was advocated a few years ago, led Mr. McCall to believe that it would hasten “the inevitable day when the two countries shall be politically one,” what can be said of this present Agreement, whose sweeping terms astounded both friend and foe, and to the passage of which Mr. McCall valiantly devoted his high talents and great energy?

Mr. McCall actually introduced the Reciprocity Bill endorsing the Agreement as the spokesman of the President and his Cabinet.

ANNEXATION THE GOAL.

MR. CHAMP CLARK'S DECLARATION.

The annexation of Canada by the United States is freely and openly declared by American public men to be the end to which Reciprocity will lead.

Representative Champ Clark, who will be the Speaker of the next House, in advocating the acceptance of the Agreement in the House of Representatives at Washington, on February 14th, predicted that a time was coming when the American flag would fly over the whole of North America. This statement the House received with loud applause.

The following are verbatim extracts from the Official *Congressional Record* at Washington:—

Mr. Clark: I'm for it [Canadian Reciprocity] because I hope to see the day when the American flag will float over every square foot of the British North American possessions clear to the North Pole. They speak our language, their institutions are much like ours, they are trained in the difficult art of self-government. My judgment is that if the treaty of 1854 [Canadian Reciprocity Treaty] had never been abrogated, the chances of the consolidation of the two countries would have been much greater than they are now.

Mr. Martin (South Dakota): Will the gentleman favour the abrogation of our tariff law entirely as far as Canada is concerned, making free trade with Canada in all products?

Mr. Clark: By taking Canada in to become part of the United States, yes. . . . I favour this Treaty because it helps along universal peace. . . .

Mr. Norris: I wanted to ask the gentleman something along the line of universal peace. As I understand it, the gentleman favours this Bill for at least one reason: it will have the tendency in the end to bring Canada into the Union.

Mr. Clark: Yes, I have no doubt about that.

Mr. Norris: Will that have the tendency to preserve peace with Great Britain?

Mr. Clark: Why, certainly it will. I have no doubt whatever that the day is not far distant when Great Britain will joyfully see all her North American Possessions become part of this Republic. That is the way things are tending now.

CANADIAN VIEWS.

PROTEST FROM TORONTO LIBERALS.

The Dominion Government received on February 20th from eighteen prominent citizens of Toronto, most of them well-known Liberals, a strong protest against the proposed Reciprocity Agreement with the United States. The list includes Sir Edmund Walker, President of the Canadian Bank of Commerce, and other bank managers, Sir Mortimer Clark, a former Governor of Ontario, and a number of manufacturers and managers of life insurance companies. The chief grounds on which the protest is based are the present unexampled prosperity of Canada, the interference in the transportation east and west, the hindrance of railway communication between the different provinces, and the curtailment of Canada's fiscal independence.

What they decided at the Great Protest Meeting in Toronto on March 9th:—

That the Agreement was to be condemned because:—

"1. It would substantially reverse the policy which has brought Canada to her present prosperous and enviable position and cause widespread disturbance in her trade and injury to many interests; jeopardise the commercial and political status of the Dominion.

"2. It would hamper Canada's freedom in developing her own resources in her own way and by her own people.

"3. It would check the growth and development of trade between the various provinces and parts of Canada with each other and between Canada and the Empire, and would diminish Canada's position and influence as a unit with the British Empire.

"4. It would lead to commercial union and ultimately tend to political union with the United States.

"5. Because the Agreement was negotiated in secret and without consultation with the commercial interests involved and without any mandate from the people."

"SUICIDAL TO THE TRADE INTERESTS OF THE DOMINION."

By a vote of 60 to 44 the Montreal Board of Trade condemned the Agreement on February 1st. The resolution passed by the Board declares that the sober sense of the country is against any change in the trade policy under which Canada has grown to her present prosperity. It insists (says the *Times* correspondent) that every Canadian should resist to the last anything that might

endanger Canada's status as a component part of the British Empire. It suggests that the Agreement might easily prove to be the entering in of a wedge that would eventually result in the separation of Canada's interests from those of the Mother-country. The resolution continues:—

We hereby record the unalterable opposition of this Board to the proposed Reciprocity Treaty with the United States, which Treaty would involve the country in a danger not yet fully realised, and we consider that the Government should first ascertain the opinion of the whole country on this question and receive a definite mandate thereon, before committing it to a change so revolutionary as this reversal of our entire policy, threatening not only the trade but also the more vital interests of Canada as a nation.

The President of the Board doubted whether the Government had very seriously considered the general bearings of the Agreement, and certainly there had been no adequate consultation with the business interests that would be adversely affected. He urged that the Agreement did not concern only one section of the country, but if carried to its legitimate conclusion would be suicidal to the trade interests of the Dominion.

CANADIAN COMMERCIAL CONDEMNATION.

The Toronto Board of Trade passed a resolution on February 16th, by 289 votes to 13, condemning the Reciprocity Agreement with the United States. The Canadian manufacturers' executive committee unanimously passed a similar resolution.

HOSTILITY IN BRITISH COLUMBIA.

The British Columbia Legislature passed a resolution on February 16th, from which only one member dissented, condemning the proposed Reciprocity Agreement. Mr. McBride, the Premier, delivered a speech at the close of the debate in which he condemned the Agreement all round from the point of view of British Columbia. The Treaty, the Premier said, would dislocate the Dominion's trade, sending it north and south instead of east and west.

ONTARIO PREMIER'S OPPOSITION.

Sir James Whitney, the Premier of Ontario, gave notice on March 6th, of a resolution in the Ontario Legislature strongly opposing the Reciprocity Agreement with the United States. The resolution says that Reciprocity would injuriously affect Ontario. The chief clause is as follows:—

"Canada's tide of prosperity and contentment is still rising, and her position and influence as an essential part of the consolidated Empire is becoming more assured. No arrangements with a foreign State should be considered which might even

jeopardise the continuance of her present satisfactory condition, much less this Agreement of Reciprocity with the United States of America, negotiated in secret and without authority from her people, which, if made effective, would in the opinion of this House to a large extent reverse the policy which brought Canada to her present enviable position, cause a widespread revolutionary disturbance in her business, curtail and hamper her freedom in developing her own resources in her own way, cause serious injury to many industries and to Canada as a whole, and would check the growth and development of trade between various parts of Canada with each other and between Canada and the Empire, and result in commercial union with the United States and weaken Canada's position and influence as a unit of the British Empire. It would frustrate her hopes of nationhood within the Empire, and lead to political union with the United States."

The resolution was carried by 75 votes to 17 on March 17th.

"A BLOW AT CANADIAN NATIONAL DEVELOPMENT."

Read what Mr. ROGERS, the Minister of Public Works in Manitoba, says. As reported in the *Morning Post* of January 30th, he says:—

"No great service has been served by the Reciprocity negotiations. On the contrary, I believe that **a great blow has been struck at our Canadian national development.** The development of our national life should be the pride and aim of every true Canadian, and anything that would savour of treachery to the Confederation should not be condoned by the possibility that it might save a cent or a dollar to some individual or some company. But what have we done? **We have sacrificed the British Preference, we have impaired our commercial independence, we have departed from Imperialism to continentalism.** These surrenders and concessions we have made—for what? For purely theoretical and visionary benefits."

"A MONUMENTAL MISTAKE."

What the HONOURABLE CLIFFORD SIFTON (late Minister of the Interior in Canada, and closely identified with the development of the Canadian West) says:—

"I say here (in the Canadian House of Commons), and I deliberately give it as my opinion, as representing a constituency of Manitoba farmers, and having represented them twenty-three years, that the Manitoba farmer will get less for his wheat, in the long run, as the result of this Agreement."

"The Agreement would make the Canadian North-West the back yard for Chicago."

"The Government would make a monumental mistake."

"Why turn from the Old Policy now, if it does not make any difference which way the traffic goes? Why spend 50,000, or 60,000, or 133,000 per mile to build a railway from Quebec to Moncton, and duplicate the Inter-Colonial which we had before?"

"A BED TO LIE IN AND DIE IN."

What Sir WILLIAM VAN HORNE says:—

"Let us not run away with the idea that if we make a mistake in this matter of Reciprocity we shall be able to correct it at pleasure. We may not be permitted to do it. It should be remembered that there are such things as vested interests with nations as with individuals and corporations, and that the vested interests of nations, real or alleged, are terribly binding upon the weaker party. When Mr. Hill has extended his seven or eight lines of railway into the Canadian North-West—lines which have for some years been resting their noses on the boundary line waiting for Reciprocity, or something of the kind, to warrant them in crossing—and when other American channels of trade have been established, affecting our territory, and when the American millers have tasted our wheat and the American manufacturers have got hold of our markets, is it probable that we shall be permitted to recede? Not a bit of it. We are making a bed to lie in and die in."

NO ADVANTAGE TO CANADIAN FARMERS.

Sir William Mackenzie, the President of the Canadian Northern Railway, who has recently been in London, was interviewed by the *Daily Mail* (January 30th) on the subject of the proposed Canadian-United States Tariff Agreement:—

"I do not think free wheat is in the best interests of Canada," he said. "I do not think it will improve the prices which farmers can charge, and I do think it will take a good deal of business from the transportation companies. It is a short haul southwards to the United States, but a long haul eastwards to the Canadian ports, and I am afraid the tendency will now be to send grain southwards to the big mills at Minneapolis, whence it will be exported as flour—the Canadian transport companies losing on the deal. The reason why I say that farmers will get no higher price for their grain is because the price of wheat is regulated by the British market. As grain is one of the largest lines of traffic in Canada the results of this diversion must be felt by the transportation companies in years to come. Will the prospective change increase the price of food in Canada? I do not see how that can be avoided. In the United States the general complaint is of the high cost of living. It is lower in Canada. The farmers of Eastern Canada do very well with

their dairy produce, their bacon, and their ham, and it is now said that they will get better prices for their goods. If they do it is inevitable that the cost of living must go up, and if they do not, where is the advantage for the farmers?"

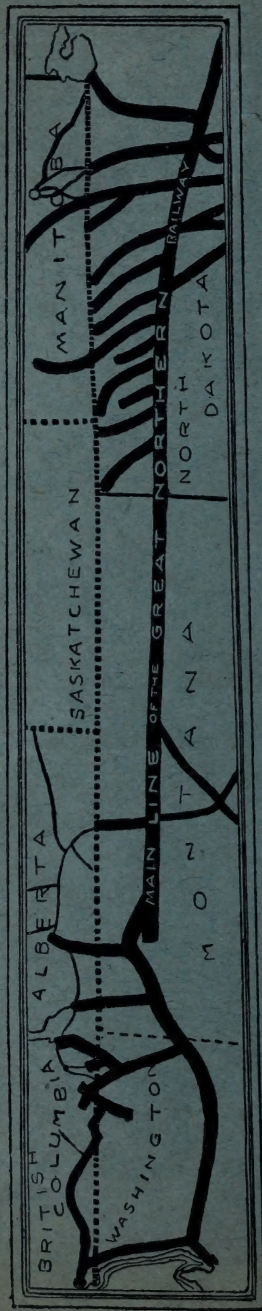
MR. FORSTER'S ELOQUENT WARNING.

Speaking in the debate in the Canadian House of Commons on February 14th, Mr. Forster, formerly Minister of Finance in the Canadian Government, said:—"There is danger, deep danger, on this path we have entered. **It leads away from home.** I pray, sir, the full meaning of this first step may soon burst upon the Canadian Parliament and the Canadian people. This land is ours. We have made it. Please God we keep it an abiding national home for our children's children to remote generations of happy citizens of an Empire whose name is synonymous with liberty and whose permanence makes for the triumph of the highest civilisation and world-wide peace. This proposal cuts square across this ideal, endangers it, and may overthrow it entirely. **It will weaken the ties of Empire, weaken the affections of new generations, and create new attachments till, like Samson of old, we shall be shorn of our strength.**"

TRADE AND THE FLAG.

Mr. Roblin, the Premier of Manitoba, in an interview with a correspondent of the *Daily Mail* (February 1st) says:—"With the ratification of the Agreement will go the hopes and aspirations of a Greater Canada fostered and nourished by the great arteries of transportation and the genius of the best statesmen." The Agreement, he said, would also affect Canada's relations with the Motherland. "I know this is a delicate question," he said, "but we should be honest with ourselves and read to the end of the chapter. They say that 'trade follows the flag,' but there is an exception to all rules. Let us hope that ours will not be the exception."

THE RECIPROCITY OCTOPUS.



"When Mr. Hill has extended his seven or eight lines of railway into the Canadian North-West—lines which have for some years been resting their noses on the boundary line waiting for reciprocity, or something of the kind, to warrant them in crossing—and when other American channels of trade have been established, affecting our territory, and when the American millers have tasted our wheat and the American manufacturers have got hold of our markets, is it probable that we shall be permitted to recede? Not a bit of it. We are making a bed to lie in and die in."—Sir William Van Horne.

The above map, which is copied from the official map of the Great Northern Railway system, shows that Sir William Van Horne understated the case when he spoke of Mr. Hill having seven or eight lines with their noses resting against the Canadian boundary. As a matter of fact, there are no fewer than eighteen branches, all of them reaching out to Canada for traffic to feed Mr. Hill's main line, while significantly enough, there is hardly a single branch dipping south into its own territory of Montana and Washington. All these branch lines Mr. Hill is engaged in running up to the Canadian boundary, which is shown on the map by the broken cross-line. Some of them, already with extensions into the Canadian wheat growing district, will draw the traffic directly away from Canadian sources to Duluth and Minneapolis.—*Montreal Star*.